

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

IN RE: MCCLAIN FEED YARD, INC., MCCLAIN FARMS, INC., AND 7M CATTLE FEEDERS, INC., Debtors. ¹	Chapter 7 CASE NO. 23-20084-rlj Jointly Administered
RABO AGRIFINANCE LLC, <i>Plaintiff,</i> v. ACEY LIVESTOCK, LLC et al., <i>Defendants.</i> ²	ADV. PROC. NO. 23-02005 Honorable Robert L. Jones

¹ The Debtors in these chapter 7 cases are: McClain Feed Yard, Inc. (Case No. 23-20084-RLJ), McClain Farms, Inc. (Case No. 23-20085-RLJ), and 7M Cattle Feeders, Inc. (Case No. 23-20086-RLJ).

² The Defendants named in the Complaint are: ACEY LIVESTOCK, LLC; MICHAEL ACEY; STAN E. AYERS, JR.; ARNOLD BRAUN TRUST; ARNOLD BRAUN; ROBERT BRAUN; BAR D RANCH LAND & CATTLE LLC; N. TERRY DICKS; BARRETT'S LIVESTOCK INC.; DON RALPH BARRETT; BELLA ELEGANCE LLC; BIG SEVEN CAPITAL PARTNERS, LLC; DORA BLACKMAN; BRYAN BLACKMAN; EDDIE BRYANT; BRENT BURNETT; JOE BURNETT; TERRY BURNETT; BUSS FAMILY TRUST; EDWIN D. BUSS; DENNIS BUSS; C HEART RANCH, LLC; COLETTE LESH; CARRAWAY CATTLE, LLC; RICHARD CARRAWAY; CURTIS JONES FARMS; DAC83 LLC; ERIC DEJARNETT; DON JONES FARM, INC.; DON JONES TRUCKING, INC.; DUFURRENA CUTTING HORSES; EDWARD LEWIS DUFURRENA; RIETA MAY DUFURRENA; ROBERT ELLIS; MICHAEL EVANS; DOUG FINLEY; GARWOOD CATTLE CO.; JUSTIN GARWOOD; GENE BROOKSHIRE FAMILY, LP; JOEL BROOKSHIRE; GRAY BROTHERS CATTLE; ROBERT GRAY; RONNIE GRAY; JIMMY GREER; GUNGOLL CATTLE, LLC; BRADLEY GUNGOLL; LEAH GUNGOLL; JACE HARROLD; HINES CATTLE COMPANY, LLC; HINES FARMS, LLC; A.J. JACQUES LIVING TRUST; CORY JESKO; DWIGHT JESKO; JOANN & KEITH BROOKS d/b/a BROOKS FARMS; LARRY KEITH; DUSTIN JOHNSON; DAVID JOHNSON; KINSEY JONES; KINGDOM TRUST; JAMES MCCUAN; KEITH HARRIS; JANICE LAWHON; JAN LESH; MORRISON CAFÉ, LLC; LESH FAMILY TRUST; GARY LESH; JARED LESH; JORDAN LESH, LLC; LFC CATTLE; CHARLES LOCKWOOD; COLE LOCKWOOD; SHERLE LOCKWOOD; NIKKI LOCKWOOD; MAP ENTERPRISES; MIKE GOURLEY; NATALIE MARTUS; JEAN NIX; OPEN A ARENA LLC; BARRY PHILLIPS; DREW PHILLIPS; PRIEST CATTLE COMPANY LTD; PRIEST VICTORY INVESTMENT LLC; CHRISTOPHER PRINCE; PRODUCERS LIVESTOCK COMMISSION; SONNY BARTHOLD; DAVID RAINEY; RAPP RANCH; MARK J. REISZ; RALPH REISZ; RIDGEFIELD CAPITAL ASSET MANAGEMENT; JIM GIORDANA; RILEY LIVESTOCK, INC.; ANGIE ROBINSON; RICK RODGERS; STEVE RYAN; JIM RININGER; SCARLET & BLACK CATTLE, LLC; COLTON LONG; SCOTT LIVESTOCK COMPANY; SHAW & SHAW FARMS PARTNERSHIP LLC; THE UNIVERSITY OF FLORIDA; ROBERT J. SPRING; STARNES CATTLE; JEFF STARNES; EDDIE STEWART; ROBERT STEWART; RACHEL STEWART; SCOTT E. STEWARD; STEVE T SCOTT FARMS, INC.; JUSTIN

**TRUSTEE AND RABO AGRIFINANCE LLC'S
STIPULATION CONCERNING OTHER CLAIMS**

Kent Ries (the “Trustee”), the Chapter 7 Trustee of the above-captioned bankruptcy estates of McClain Feed Yard, Inc., McClain Farms, Inc. and 7M Cattle Feeders, Inc. (the “Debtors”), and Rabo Agrifinance LLC (“RAF”), a creditor of the Debtors, stipulate as follows:

1. With respect to the First Amended Complaint for Declaratory Relief (Docket No. 3) (the “Amended Complaint”)³ and the above-captioned adversary proceeding, the Trustee and RAF stipulate and agree that the determinations in this proceeding shall be limited to the following declaratory relief sought by RAF in the Amended Complaint:

First Cause of Action

- a. RAF’s loan documents create a first priority and perfected security interest in some or all of the Estate Funds as that term is defined in the Amended Complaint;
- b. Some or all of the Estate Funds (and any other funds of the Debtors’ bankruptcy cases) are not subject to the Dealer Trust Statute or, alternatively, that the rights of any Dealer Trust Claimants are junior and inferior to the rights of RAF under its loan documents concerning some or all of the Estate Funds;
- c. Some or all of the Estate Funds will not be distributed to the Dealer Trust Claimants;
- d. Some or all of the Estate Fund will be distributed to RAF as the holder of a perfected security interest on such funds;

Second Cause of Action

To the extent that the Dealer Trust Statute is applicable to any of the Estate Funds:

STUEVER; PHILLIP SULLIVAN; AMY SUTTON, CRAIG SUTTON, TGF RANCH LLC; TOM FRITH; THORLAKSON DIAMOND T FEEDERS, L.P.; JOHN TIDWELL; MYKEL TIDWELL; TINDAL TRUCK SALES; JOHN TINDAL; JANET VANBUSKIRK; LYNDAL VANBURKIRK; SUSAN VANBUSKIRK; COLBY VANBUSKIRK; CAMERON WEDDINGTON; NANCY WEDDINGTON; WILLIAM WEDDINGTON; WILDForest CATTLE COMPANY LLC; WILEY ROBY RUSSELL, JR., as TRUSTEE OF THE W. ROBBIE RUSSELL LIVING TRUST; WJ PERFORMANCE HORSES, INC.; JOB WHITE; and KENT RIES, in his capacity as CHAPTER 7 TRUSTEE OF THE DEBTORS’ CONSOLIDATED BANKRUPTCY ESTATE.

³ Any capitalized, undefined terms herein shall have the meaning set forth in the Amended Complaint.

- e. the Apparently Valid Claims are the only valid Claims subject to the Dealer Trust Statute;
- f. the Apparently Valid Claimants are the only Dealer Trust Claimants entitled to payment under the Dealer Trust Statute;
- g. the Non-Valid Claims are neither valid nor payable under the Dealer Trust Statute;
- h. the Non-Valid Claimants are not entitled to any funds subject to the Dealer Trust Statute;
- i. the Cattle Sales Funds are the only funds subject to the Dealer Trust Statute;
- j. the Chase Funds and the Mechanics Bank Funds are not subject to the Dealer Trust Statute;
- k. the Apparently Valid Claimants can only receive payments from the Blue Grass Funds and MFI Funds;
- l. the Apparently Valid Claimants will not be paid from the Lonestar Funds, Chase Funds, or the Mechanics Bank Funds;
- m. RAF is entitled to receive the Lonestar Funds, the Chase Funds, and/or the Mechanics Bank Funds;

Third Cause of Action

- n. March 16, 2023 was the earliest date on which a trust under the Dealer Trust Statute was created;
- o. March 16, 2023 is the earliest date on which an unpaid cash seller could benefit from the Dealer Trust Statute; and
- p. any payments received by RAF on its loans to the Debtors prior to March 16, 2023 are not subject to the Dealer Trust Statute or the Dealer Trust Claimants as a matter of law, regardless of the source of such payments.

2. This proceeding and any determinations therein shall be without prejudice to any other claims and defenses of the Trustee and RAF against the other, including but not limited to: (a) any affirmative claims for relief of the Trustee or RAF against the other and (b) any basis to disallow or subordinate alleged claims asserted by RAF against the Debtors (including their bankruptcy estates) and/or the Estate Funds. The parties further stipulate and agree that any

affirmative claims for relief or defenses of the Trustee or RAF against the other shall not be barred in a subsequent or different proceeding because of the compulsory counterclaim rules in Fed. R. Civ. P. 13 or Fed. R. Bankr. P. 7013, nor can the Trustee or RAF assert in a subsequent or different proceeding that the Trustee or RAF is barred by res judicata, collateral estoppel, waiver or similar defense of any claims based on their failure to raise them in this proceeding.

3. The parties further agree that nothing herein shall limit any party from asserting any counterclaims, third-party claims, cross-claims, or affirmative defenses in this proceeding.

4. The parties further agree to abate the prosecution of all claims, not including discovery, until a determination of: (a) the applicability of the Dealer Trust Statute to the Estate Funds and to the Debtors' bankruptcy cases generally; and (b) only if the Dealer Trust Statute is found to apply, a determination of the validity of the asserted Claims under the Dealer Trust Statute. The parties further agree to seek appropriate scheduling order(s) that will avoid similar concerns with respect to the other parties to this action with respect to the entry of any final judgments in this adversary proceeding that could in any way arguably preclude the assertion of further claims by the Trustee or RAF.

DATED THIS 1st day of April, 2024.

Respectfully submitted,

By: /s/ Hudson M. Jobe (signed w/permission)

Hudson M. Jobe

Texas Bar No. 24041189

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/s/ Michael R. Johnson

Michael R. Johnson

ATTORNEYS FOR RABO AGRIFINANCE LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on April 1, 2024, the foregoing document was filed electronically with the Court's CM/ECF system, which sent notice of electronic filing to the following electronic filing users in this case:

- **Rachel E Barr** rbarr@namanhowell.com
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The undersigned also hereby certifies that, on April 1, 2024, a true and correct copy of the foregoing was served, by both first class U.S. mail, postage prepaid, and by email, upon the following:

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By: /s/ Michael R. Johnson